



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, D.C. 20410-5000

MAR 5 2002

OFFICE OF THE ASSISTANT SECRETARY  
FOR PUBLIC AND INDIAN HOUSING

Terry Peterson  
Chief Executive Officer  
Chicago Housing Authority  
626 West Jackson Boulevard  
Chicago, IL 60661-5601

Dear Mr. Peterson:

As a follow-up to our recent discussions, I am writing to provide you with additional guidance on HUD's intentions for evaluating the performance of the Chicago Housing Authority (CHA) under its Plan for Transformation and the Moving to Work (MTW) demonstration agreement between HUD and CHA.

The Plan for Transformation articulates a bold strategy to address the difficult problems that have confronted public housing in Chicago for many years. The MTW agreement provides CHA with considerable flexibility to use in implementing that strategy. Given the magnitude of CHA's plan and the significant variances from standard program rules and procedures that have been granted to CHA, I believe it is appropriate to modify the process by which HUD will evaluate CHA's performance. Consequently, in lieu of the Public Housing Assessment System (PHAS) and the Section 8 Management Assessment Program (SEMAP), HUD will evaluate CHA's performance based on appropriate benchmarks measuring CHA's progress toward the goals identified in relevant plans and reports submitted to HUD. I will have an amendment to the MTW agreement prepared in order to effectuate the terms of this letter.

Please call me if you have any further questions. I look forward to our continued work together.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Liu", is positioned above the printed name.

Michael Liu  
Assistant Secretary